

JAMES M. INHOFE  
OKLAHOMA

WASHINGTON OFFICE  
205 RUSSELL SENATE OFFICE BUILDING  
WASHINGTON, DC 20510-3603  
(202) 224-4721

TULSA OFFICE  
1924 SOUTH UTICA, SUITE 530  
TULSA, OK 74104  
(918) 748-5111

OKLAHOMA CITY OFFICE  
1900 N.W. EXPRESSWAY, SUITE 1210  
OKLAHOMA CITY, OK 73118  
(405) 608-4381

COMMITTEES:  
ARMED SERVICES  
ENVIRONMENT AND  
PUBLIC WORKS  
FOREIGN RELATIONS

# United States Senate

WASHINGTON, DC 20510-3603

**0671**

June 1, 2011

The Honorable Julius Genachowski  
Chairman  
Federal Communications Commission  
445 12th Street, SW  
Washington, D.C. 20554

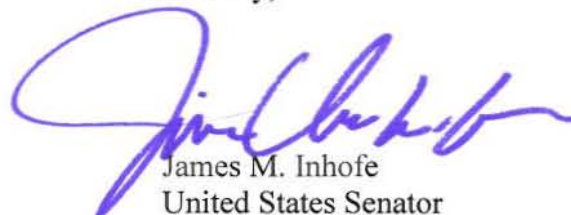
Dear Chairman Genachowski:

I am deeply concerned by your recent announcement that the Commission intends to reform the Universal Service Fund (USF) High-Cost Program and the inter-carrier compensation (ICC) system. The proposal places rural telecom's broadband network investments and operations at risk while putting rural consumers and small businesses at a disadvantage.

I support your efforts to achieve broadband availability throughout our nation. However, this major shift in policy undermines the Telecommunication Act of 1996, which requires that consumers in rural areas have access to advanced services and rates that are reasonably comparable to those available in urban areas. In order to continue to provide broadband to rural areas, any reform to USF and ICC must ensure that rural carriers can sustain and improve upon affordable broadband where it already exists, in addition to encouraging deployment to underserved customers.

Adopting a rural carrier-specific high-cost USF component would help stimulate fragile rural economies while also promoting broadband adoption, goals I know we both share. This would ensure that rural areas have access to broadband services that are affordable, available, and comparable to that of urban areas. I agree that we need reform; however, we need a plan that will not cause unintended consequence or burden current carriers. Rural America cannot be left behind. I look forward to working with you in order to implement sustainable, sufficient, and predictable support systems for all rural broadband providers.

Sincerely,



James M. Inhofe  
United States Senator



FEDERAL COMMUNICATIONS COMMISSION

JULIUS GENACHOWSKI  
CHAIRMAN

November 17, 2011

The Honorable James M. Inhofe  
United States Senate  
453 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Inhofe:

Thank you very much for your letter regarding the Commission's efforts to reform and modernize the Universal Service Fund (USF) and the intercarrier compensation system (ICC). Your thoughts and concerns were a valuable contribution to our process, and were considered as part of the Commission's deliberations.

On October 27, after many years of hard work on Capitol Hill, among the FCC's Commissioners, and by Commission staff, the Commission unanimously adopted a comprehensive Order overhauling the broken and backward-looking USF and ICC systems for the Internet age. By transitioning these programs to the Connect America Fund, we are delivering on our shared national goal of universal voice and broadband service – including universal mobile voice and broadband service – and enabling increased private sector investment in the indispensable infrastructure of the 21<sup>st</sup> century: broadband. Importantly, our reforms are fiscally responsible, eliminating waste and inefficiency, using market-based mechanisms to target support where it is needed, and putting the Fund on a firm budget.

The Commission's Order will create jobs beginning in 2012, and lay the foundation for enduring job creation, economic growth, and U.S. global competitiveness for years to come.

For your information, I am enclosing a copy of the Order's "Executive Summary." Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Genachowski", is written over a horizontal line. The signature is stylized with a large, sweeping initial "J".

Julius Genachowski

Enclosure